



“It’s a New Day in Montana”

Governor Brian Schweitzer has pledged to “level the playing field” and ensure that all Montanans have an equal opportunity to share in all available resources. The enclosed demonstrates what has been accomplished in a short time by the Schweitzer administration.

Best,

A handwritten signature in black ink that reads "Anthony J. Preite". The signature is written in a cursive, flowing style.

Anthony J. Preite



MONTANA ON THE MOVE

Over 1,700 Jobs

Coming to the end of 2005, the Montana Department of Commerce looks back to see over 1,700 jobs created or retained through state government assistance. Governor Brian Schweitzer explained that much of this work has gone on behind the scenes. "I know we've been talking about things like coal to gas and bio-diesel, and they're important for the future, but these jobs projects have been the day to day focus of my administration," Schweitzer said. The focus of these initiatives is to improve the quality of lives for families in Montana. "When you start talking about economic development you've got to ask yourself what's most important, and what we value is helping people get the job they need so that they can take care of their family and enjoy the best Montana has to offer," Governor Schweitzer added. "...And economics teaches us we are all interconnected here in the modern market economy. A neighbor who is doing well is able to contribute more to their community. Since we're all in this together, this will continue to be our priority."

From Missoula to Culbertson

Tony Preite, Director of the Montana Department of Commerce, explained that the priority of job creation is not just focused on the larger cities (the accompanying map shows the geographic distribution). "I for one don't like all this talk of the two Montanas. Governor Schweitzer instructed us to serve all Montanans, including a renewed outreach to Indian country, and to be sure local communities have the final say as to which types of businesses are the best fit for them. We are providing support to what starts at the grassroots level," Preite said.

JOB CREATION ACROSS MONTANA

2005 Montana Department of Commerce Economic Development Projects:

COMMUNITY DEVELOPMENT BLOCK GRANT – ECONOMIC DEVELOPMENT

Anaconda-Deer Lodge County has been awarded \$260,868 in economic development funding for a loan of \$220,000 to B&B Mechanical Insulation (BBMI), LLC a mechanical pipe shield manufacturer located in Anaconda. The company manufactures and distributes an insulated pipe support used in commercial and residential facilities. BBMI expects to create thirteen (13) new jobs within the next three years of which at least seven (7) positions will be made available to low and moderate-income persons. BBMI will use up to \$21,068 in economic development funds for employee training costs. The County will use up to \$19,800 for administrative expenses. Anaconda Local Development Corporation will assist with the facilitation of this project. First National Bank will provide \$150,000, ARCO \$15,000, and BBMI, LLC \$96,400 in additional funding for this project.

The City of Poplar has been awarded \$183,000 in economic development funding to grant up to \$175,000 A&S Diversified, Inc. a machining company, and Fort Peck Tech Services, Inc. a document conversion service, located in Poplar for employee training. Grant funds of \$8,000 will be used by the City for administration. The businesses have projected thirty-five (35) full time jobs will be created, of which thirty-five (35) of the newly created positions will be made available to or filled by low and moderate-income persons. A&S Diversified, Inc. will provide \$157,500 and Fort Peck Tech Services, Inc. \$17,500 in additional funding for this project. Great Northern Development will assist with administration of the grant funds.

Custer County has been awarded \$140,400 in economic development funding to loan \$130,000 to Alan and Ruth Kuchynka, to help purchase Montana Quality Meats, LLC, a meat processing and distribution plant located in Miles City. The loan will purchase accounts receivable, inventory, and equipment to help retain the business and existing employees. Montana Quality Meats is a USDA inspected facility, which specializes in finger steaks. Grant funds of \$10,400 will be used by the County for administration. The Kuchynkas project one (1) full time job will be created, and fourteen (14) jobs will be retained, of which, at least eight (8) of the retained positions are filled by low and moderate-income persons. First Interstate Bank will provide \$138,400, and Alan and Ruth Kuchynka \$34,600 in additional funding for this project. Repayments from the loan will be managed by the SouthEastern Montana Development Corporation.

Flathead County has been awarded \$399,600 in economic development funding to loan \$300,000 to Midway Rental and Power Equipment, Inc., an equipment rental company located in Whitefish, for equipment and machinery purchases. Midway is a locally owned company that started in 1978 with products that range from small homeowner tools and equipment to mid-to-large sized construction and industrial equipment. Grant funds of \$70,000 will be available to Midway for employee training, and \$29,600 will be used by the County for administration. Midway has projected eighteen (18) full time jobs will be created, of which thirteen (13) of the newly created positions will be made available to or filled by low and moderate-income persons. Glacier Bank will provide \$550,000, and Midway Rental and Power Equipment, Inc. \$2,787,000 in additional funding for this project. Loan repayments will be managed by Jobs Now, Inc. Local officials see a benefit to the community given the regional nature of the business and its specialization in heavy construction equipment.

Missoula County has been awarded \$300,000 in economic development funding to loan \$276,000 to Rocky Mountain Biologicals, Inc., a biotech production facility outside of Missoula, for equipment purchases. Rocky Mountain Biologicals develops, manufactures and sells its biotech products to companies in the pharmaceutical and biotechnology industries, and research operations. Rocky Mountain has projected fifteen (15) full time jobs will be created, of which ten (10) of the newly created positions will be made available to or filled by low and moderate-income persons. Grant funding of \$24,000 will be available to the County for administrative expenses. Missoula Area Economic Development Corporation will provide \$150,000, the Community Reinvestment Fund \$780,000, Rocky Mountain Biologicals, Inc. \$1,450,000, and the First Security Bank of Missoula \$700,000 in additional funding for this project.

Pondera County has been awarded \$400,000 in economic development funding to loan \$394,000 to 2101, LLC - Intercontinental Truck Body, a customized truck body manufacturing plant located in Conrad. The company manufactures truck bodies for service businesses throughout the United States. Intercontinental Truck Body expects to create twenty (20) new

jobs over a two-year period with all jobs to be available to low and moderate-income persons. The County will utilize \$6,000 for administration expenses. The Pondera County Regional Port Authority will assist with the facilitation of this project. The Montana Department of Commerce Board of Investments will provide \$400,000, and Wells Fargo Bank \$1,124,773 in additional funding for this project.

Roosevelt County and the Town of Culbertson have been awarded \$800,000 in economic development funding to make a loan to Sustainable Systems, LLC, a value added agricultural company. Sustainable Systems will receive a loan of \$760,000 in economic development funds for working capital. The company is in the process of purchasing Montola Growers. Sustainable Systems expects to retain eleven (11) existing jobs and create twenty (20) new positions of which at least fifteen (15) will be made available to low and moderate-income persons. First Community Bank will provide \$500,000, Great Northern Development Corporation \$200,000, and Sustainable Systems, LLC \$191,300 in additional funding for this project. Great Northern Development Corporation will assist with the facilitation of this project.

Sanders County has been awarded \$237,600 in economic development funding to loan \$170,000 to Precision Woodworks, LLC, a plastic laminate casework manufacturer located in Noxon for debt refinancing during its expansion. Precision has been in business since 1980 and relocated from Colorado to Montana in 1999. Precision has completed many building projects in Montana and surrounding states, and also Canada. Grant funds of \$50,000 will be available to Precision for employee training, and \$17,600 in grant funds will be used by the County for administration. The business has projected eight (8) full time jobs will be retained, and six (6) full-time jobs will be created, of which four (4) of the newly created positions will be made available to or filled by low and moderate-income persons. First State Bank will provide \$170,000 and Precision Woodworks, LLC \$50,000 in additional funding for this project. Repayments from the loan will be managed by Lake County Community Development Corporation.

Yellowstone County has been awarded \$376,500 in economic development funding to loan \$300,000 to Link Communication, an emergency services radio interoperability and repeater developer and manufacturer, located in Billings, for working capital. Link has been creating its own products for the radio system market worldwide for 15 years. Their products allow many different radio brands and systems to inter-communicate easily, primarily for emergency response teams and organizations. Grant funds of \$50,000 will be available to Link for employee training, and \$26,500 in funding will be used by the County for administration. Link has projected nine (9) full time jobs will be retained, and fourteen (14) full-time jobs will be created, of which eight (8) of the newly created positions will be made available to or filled by low and moderate-income persons. Beartooth RC&D will provide \$100,000 and Link Communication \$552,000 in additional funding for this project.

Broadwater County has been awarded \$15,000 in economic development planning to conduct a feasibility study to evaluate which of at least five (5) sites in the county would be suitable for industrial or business park development. The evaluation will compile information about costs for infrastructure such as water, wastewater, power and roads; and complete assessments for the sites' marketability. Gateway Economic Development will assist with the studies. Gateway Economic Development will provide \$15,000, and volunteer services will account for \$5,000 in additional funding for this project.

The Town of Chester has been awarded \$10,000 in economic development planning grant funds to conduct a feasibility study to determine the viability of constructing a utility scale wind project in Liberty County. The study will analyze wind resources, availability of transmission and distribution lines, and identify a likely buyer for the produced energy. The Montana Growth Through Agriculture will provide \$10,500, Dennis and Charlotte Kenfield \$2,000, and the Montana Agriculture Innovation Center \$520, and Bear Paw Development \$250 in additional funding.

The Town of Eureka has been awarded \$14,000 in economic development planning grant funds to develop a stewardship education and planning project to support two potential mills, and to do an analysis on the Town's transportation infrastructure. Completion of a stewardship project will help determine sustainability and identification of areas in the Kootenai National Forest that can provide material for a value added mill, and an analysis of the transportation infrastructure will assist the Town with increasing traffic difficulties and address future possibilities for the two potential mills. The Economic Development Administration will provide \$20,000, and Northwest Sustainable \$11,000 in additional funding.

Flathead County has been awarded \$8,000 in economic development planning grant funds to complete an engineering study and develop a master plan for the Columbia Falls Industrial Park, which will focus on value-added wood product businesses. The Columbia Falls Industrial Park needs an engineering study for surveying, identification of easements, utilities, water lines, wells, gas mains, septic systems, and rail head. This study will allow planning for future development, and enhance infrastructure for two existing tenants already operating in this park. Schwatz Engineering will provide \$8,000 in additional funding.

The City of Havre has been awarded \$4,836 in economic development planning grant funds to complete assessments conducted by local development organizations to document the need for Amtrak passenger service in Montana. A series of town hall meetings will be held in Glasgow, Havre, and Whitefish. Sweetgrass Development, Bear Paw Development, Two Rivers Economic Growth, and The Whitefish Chamber of Commerce will provide \$5,200 in additional funding.

Hill County has been awarded \$15,000 in economic development planning grant funds to complete a master plan for the Hill County fairgrounds. The plan will consider locations for a proposed events center, Chamber of Commerce, fairgrounds offices, and potential spots for motels. Development of this master plan will be coordinated by Bear Paw Development in conjunction with the County. Bear Paw Development will provide \$5,666, and numerous donations from local businesses totaling \$15,000 in additional funding will be used for this project.

Lake County has been awarded \$8,000 in economic development planning grant funds to create an economic development strategy for the Western Rural Development Region that consists of Lake, Lincoln, Mineral, and Sanders counties. Lake County Community Development Corporation will assist with the effort. This four-county project will provide an in-depth planning document to identify local and regional opportunities for economic development. Lake County and the Western Rural Development Region partners will provide \$20,060 and Lake County \$2,500 in additional funding.

The City of Lewistown has been awarded \$13,000 in economic development planning grant funds to complete a preliminary architectural report and related recycling studies for Snowy Mountain Industries. The preliminary architectural report and recycling studies will determine a

suitable location and develop a financial plan for a proposed recycling facility. The studies will examine existing recycling efforts and analyze alternatives with a specific course of action. A suitable location for a recycling facility will be recommended, and plans will be drawn for the layout. The City of Lewistown will provide \$2,477 and Resource, Support, and Development, Inc. \$1,206 in additional funding.

Madison County has been awarded \$5,000 in economic development planning grant funds to complete a feasibility study for the creation of a local cattle brand that markets meat products that are processed and packaged in or near Madison County. Madison County Economic Development Council will assist with the effort. The Yellowstone Club Foundation will provide \$7,500 and Madison County Economic Development Council \$7,500 in additional funding.

The City of Malta has been awarded \$14,000 in economic development planning grant funds to complete a preliminary architectural report for a dinosaur museum. This report will investigate site and facility options in and around Malta, develop strategies for funding solicitations, and devise a course of action for construction of a museum facility. A dinosaur museum in Malta was supported by the 2005 legislative session through House Bill 423. The Judith River Foundation will provide \$1,250, Phillco Economic Growth Council \$3,000, and the City of Malta \$1,500 in additional funding.

Meagher County has been awarded \$9,000 in economic development planning grant funds to evaluate property in Meagher County for the development of an industrial or business park. Gateway Economic Development will assist with the effort. The project will evaluate potential brownfield sites for the development of productive, revenue producing locations. Meagher County will provide \$21,000 in additional funding.

Ravalli County has been awarded \$15,000 in economic development planning grant funds to complete a preliminary architectural design for a biotech and biomedical enterprise center outside of Hamilton. This study will identify infrastructure needs and preliminary design for cluster development related to other biotech industries located in the area. The Federal Home Loan Bank will provide \$18,000 in additional funding.

The City of Shelby has been awarded \$9,164 in economic development planning grant funds to complete a feasibility study for the development of an industrial park south of the City along the Burlington Northern Santa Fe main rail line. The industrial park could potentially house a fuel distribution facility, bio-diesel plant, mini refinery, and egg production facility. The City of Shelby will provide \$20,836 in additional funding.

The City of Sidney has been awarded \$10,000 in economic development planning grant funds to conduct a study to identify, evaluate, develop, and improve barley, wheat, and durum grains that are now grown in Montana for ethanol production. Eastern Plains RC&D Area, Inc. will assist with the effort. Eastern Plains RC&D Area, Inc. will provide \$1,000, North Dakota State University \$20,000, Growth Through Agriculture Program \$50,000, and numerous private companies will donate \$19,000 in additional funding.

Valley County has been awarded \$14,000 in economic development planning grant funds to develop a feasibility study, site identification, business plan, and project design for an ethanol facility. Great Northern Development will assist with the effort. Great Northern Development will provide \$22,600, the Growth Through Agriculture Program, Rural Business Enterprise Grant, and the Montana Agriculture Innovation Center \$45,000 in additional funding.

WORKFORCE INVESTMENT ACT FUNDS

Intercontinental Truck Body – Conrad will use \$150,000 in WIA funds to train approximately twenty (20) new and ten (10) existing workers in federal contract guidelines; plasma, shear and brake operation; and bookkeeper training. This award helped Intercontinental secure a \$25,000,000 military contract. The Conrad Workforce Center office will assist with recruitment for the new workers.

<u>Match Source</u>	<u>Amount</u>
CDBG-ED	\$ 394,000
Wells Fargo/Board of Investments	\$ <u>2,370,531</u>
	\$ 2,764,531

Pyramid Mountain Lumber – Seeley Lake will use \$40,000 in WIA funds to train eight employees in entry level, intermediate and advanced process optimization. All trainees are currently on staff. Three optimized computer-run machine centers are the heart of the Pyramid lumber mill. The manufacturer of the optimized centers will provide the training. Pyramid employs over 200 in Seeley Lake and regularly recruits from the Missoula Workforce Center office.

<u>Match Source</u>	<u>Amount</u>
Pyramid	\$ 40,000

SRS Crisafulli – Glendive will be using \$50,000 in WIA funds to train up to twenty-one (21) new and existing employees. Training will focus on software and technology. Crisafulli was established in Glendive in 1906 and sells parts, accessories, dredge and pump-related equipment worldwide. The Glendive Workforce Center office will assist with new employee recruitment.

<u>Match Source</u>	<u>Amount</u>
SRS Crisafulli	\$ 71,551
2006 Expansion:	
SRS Crisafulli	100,000
Stockman Bank	<u>400,000</u>
	\$ 571,551

Sustainable Systems, LLC – Culbertson will be using \$100,000 in WIA funds to train approximately twenty (20) new and incumbent workers at the Montola facility in Culbertson. The company crushes a variety of crops to produce food and food-related products, additives and oil for industrial use. Employees will be trained in workplace orientation, workplace safety, workplace processes and production. Sustainable recruits employees from both the Sidney and Wolf Point Workforce Center offices.

<u>Source</u>	<u>Amount</u>
CDBG-ED	\$ 800,000

First Community Bank LOC	500,000
Research & Commercialization	100,000
Great Northern Econ Dev Corp IRP	150,000
Great Northern Econ Dev Corp In Kind	50,000
Sustainable Systems - Asset Purchase	191,300
2006 Expansion - Hexane Process	<u>1,800,000</u>
	\$ 3,591,300

Western Dental Arts, Inc. – Billings will use \$40,000 in WIA funds to train approximately fourteen (14) new and existing workers in technical skills, safety practices and dental understanding. No training program like this currently exists in Montana. WDA is currently experiencing accelerated growth and will add four (4) new employees in the next two years. WDA regularly recruits from and works with the Billings Workforce Center office.

<u>Source</u>	<u>Amount</u>
Yellowstone Bank LOC	\$ 150,000

WORKFORCE TRAINING GRANT – HB 271 PROJECTS

Centene Corporation – Great Falls received a commitment for \$400,000 in state workforce training funds to assist with their location of a new medical claim-processing center in Montana. The workforce funds will enable Centene to train at least 80 new workers initially.

Source	Amount
BOI/GTF Port Authority Loan	\$4,999,800
City of GTF – Site Improvements	1,000,000
GTF Financial/High Plains Dev Loan	<u>1,100,000</u>
	\$7,099,800

Bresnan Communications – Billings received a commitment for \$480,000 in state workforce training funds to assist with their purchase and expansion of the cable operations in Montana. The workforce funds will enable Bresnan to train at least 96 new workers initially.

Source	Amount
Bresnan: Direct Costs	
Associated with	
Construction	\$7,400,000*

*infrastructure upgrade to state: \$190,000,000

Montana Resources Inc. – Butte received a commitment for \$975,000 in state workforce training funds to assist with their opening a new mining operation in Butte. The workforce funds will enable MRI to train at least 195 new workers.

Source	Amount
BOI – Infrastructure Loan	\$ 2,340,000
Butte/Silver Bow	\$ 1,000,000

Montana Resources	<u>\$13,000,000</u>
	\$16,340,000

PrintingForLess.com - Livingston received a commitment for \$130,000 in state workforce training funds to assist with their expansion of its Internet based printing operation in Montana. The workforce funds will enable PFL to train at least 26 new workers initially as part of its ongoing expansion in Montana.

<u>Source</u>	<u>Amount</u>
PFL: Employee Wages, Hardware and Direct Costs	\$ 448,044

Qwest – Helena received a commitment for \$185,000 in state workforce training funds to assist with their expansion statewide in Montana. The workforce funds will enable Qwest to train at least 37 new workers.

<u>Source</u>	<u>Amount</u>
Qwest: Direct Costs, Attributable Costs and Corporate Operations Costs	\$ 555,000

Indian Country Economic Development

The Chippewa Cree Tribe was awarded **\$50,000** to complete a marketing study for the ethanol and by-products of a potential plant. The tribe will focus its resources also on additional project development including environmental assessments, permitting, land development, engineering, which will be completed internally and/or by contracted services. After the marketing plan is completed, using grant funds from this contract and \$150,000 of matching funds, the information will be turned over to the National Tribal Development Association (NTDA) to raise the estimated \$84.7 million in capital need to construct the facility. The business and marketing plans are needed to search for potential investors.

Tribal Business Committee - \$150,000
Montana Growth Through Agriculture Grant - \$50,000

The Assiniboine-Sioux Tribes were awarded **\$50,000** for support for the development of Mitakuye Corporation as a manufacturing and Information Technology services network holding company. The following tribal-owned manufacturing businesses have become or will become partners in the collaborative effort to leverage their respective human and capital resources: A&S Tribal Industries, A&S Diversified, Fort Peck Tech, Inc., West Electronics, and Integrated Solutions.

Tribal Industries – \$2,370,000
CDBG - \$190,000

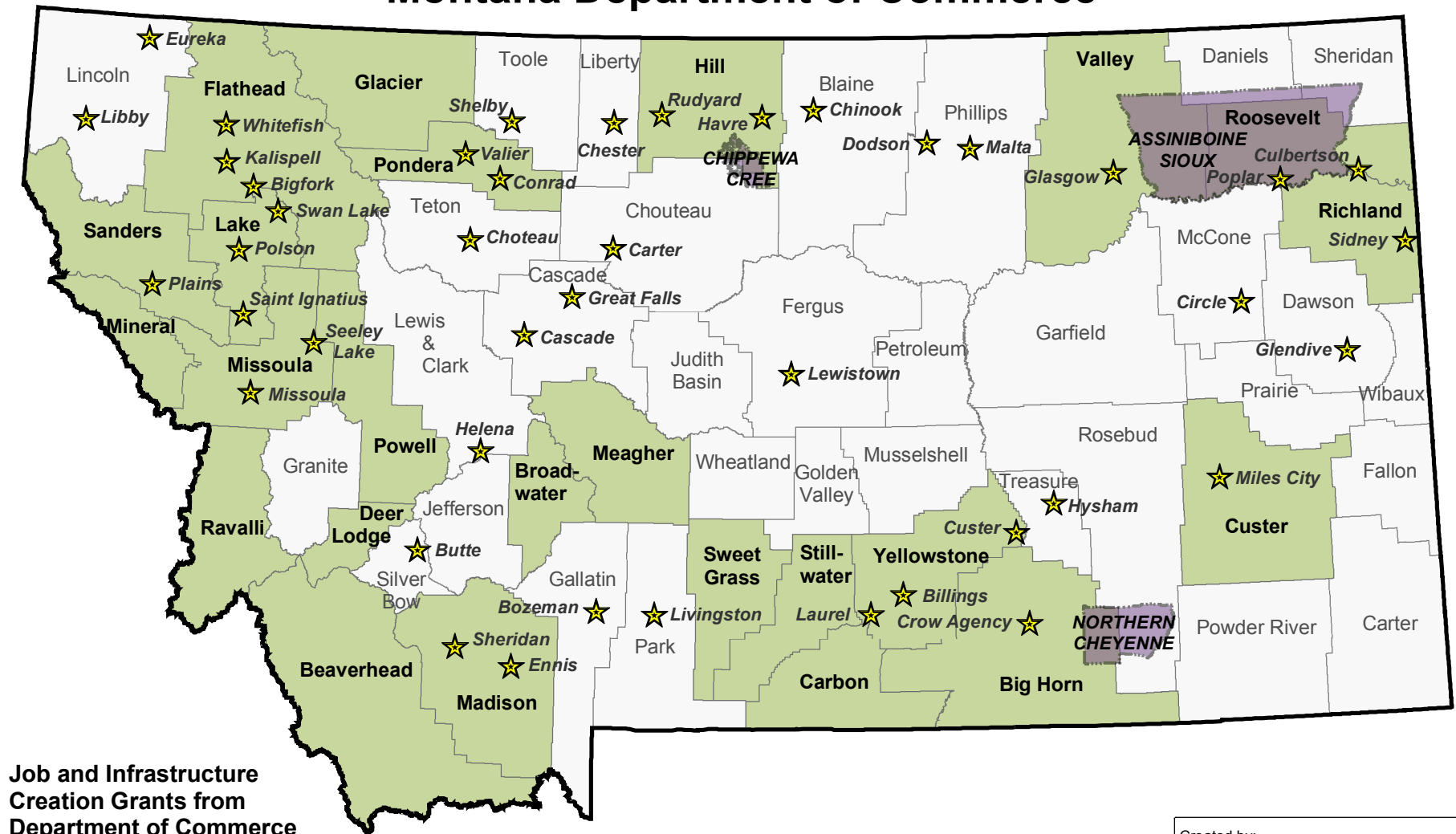
The tribes will draft and implement the business plan, train the key decision makers within each company, and complete a marketing strategy that leverages the resources of tribal businesses, Fort Peck Community College, local and state partners and the private sector. Tribal Industries will be involved in activities to leverage tribal, state, federal and commercial resources.

The **Northern Cheyenne Tribe** was awarded **\$50,000** to pursue the development and ownership of a wireless telecommunications company to provide improved telecommunications services to Dull Knife Memorial College, all kindergarten through grade twelve schools within reservation boundaries, tribal government, Indian Health Service, tribal social services, tribal housing department, the tribal museum, the Bureau of Indian Affairs, tribal business departments, the tribal library and tribally-owned gaming facilities. The grant will support a telecommunications study performed to Turtle Island Communications.

<u>Source</u>	<u>Amount</u>
NCT/ANA Cash	\$ 35,010
NCT In Kind	<u>5,400</u>
	\$ 40,410

JOB AND INFRASTRUCTURE CREATION 2005

Montana Department of Commerce



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Scale of Miles

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Great Northern News

WINTER 2006

Montana Governor Visits Culbertson

Loan to go to Sustainable Systems of Culbertson

Governor Brian Schweitzer was in Culbertson the morning of November 16, 2005, to present an \$800,000 check to the City of Culbertson and Roosevelt County to be used for a loan to the grain processing company, Sustainable Systems. "This project is the perfect example of how a partnership between the government and business can have a positive impact on people's lives, and the good thing is that the people of Culbertson get to make the decision about what types of businesses are the best fit for their area," Governor Schweitzer said.

About the Company

Sustainable Systems, LLC is an oilseed crush and refining plant in Missoula, Montana. The company has recently established a new division in Culbertson, called Montola, aimed at expanding the regional production of oilseed crops into high value biofuels, lubricants, and culinary oils. The award from the Montana Department of Commerce includes \$100,000 from the Department of Labor and Industry, Workforce Investment Act. In addition to private investors and lenders, this funding will help retain 22 current positions and create 9 new ones, as well as provide employee training for the current workforce. Tony Preite, the Director of the Montana Department of Commerce, explained that the amount of investment dollars should multiply over the years as the business continues to expand. "We look at this as the starting point, not a one time shot in the arm. It is always exciting to see what innovative people can do if they're given the opportunity."

Current manager of Montola, Neil Turnbull, thanked all for their part in this purchase, stating that Sheridan Electric, plant owners, had met with many possible companies, but previous attempts had no success. "The possible closing of this facility would present a welfare problem for the entire state of Montana," Turnbull added that he appreciated Governor Schweitzer's support of the project and that he was proud to call him the Governor of Montana.

Paul Miller, CEO of Sustainable Systems, said that they started searching out companies in the urban and rural areas in 2001. Montola Growers in northeast Montana was presented to them and they are hopeful for the success of this company.



Linda Twitchell, Executive Director of GNDC, Senator Sam Kitzenberg, Culbertson Mayor Gordon Oelkers, Governor Brian Schweitzer, and Roosevelt County Commissioner Gary Macdonald gathered in Culbertson on November 16, 2005.

Culbertson mayor Gordon Oelkers thanked everyone for coming, especially those from Helena, with this all-positive recognition for his town when they can maintain existence for an oilseed company, a business that we had and will continue to have.

Roosevelt County Commissioner Gary Macdonald commented, "It is good to have the state people help to keep northeast Montana alive and well." He also stated that those communities on the Fort Peck Indian Reservation, as well as those communities east of the Big Muddy, are grateful for all the help on the state level.

Senator Sam Kitzenberg said that team effort is a new day in Montana and what a time to give thanks during the Thanksgiving season. He spoke of an ethanol plant on the horizon, possible four-lane highway, and a state park near Reserve and Culbertson, which is overlooking a beautiful landscape on the Missouri River.

Planning for Future Growth

The interest paid back to the City and County over the course of the loan will be earmarked for further economic development activities at the grassroots level, creating an opportunity for an exponential continuation of this investment. Linda Twitchell, the Director of Great Northern Development Corporation, explained that in addition to residual benefits for business development, the agricultural community will see a positive impact as well. "This is what we call a value-added company, they take the high quality seed and grain from area farmers and turn it into an even more valuable product. In the end, this gives eastern Montana more economic clout," Twitchell said.

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